



OFFICE OF  
THE CHAIRMAN

EX PARTE OR LATE FILED

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

NOV 10 1993

DOCKET FILE COPY ORIGINAL

RECEIVED

JUN 17 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Honorable Bob Wise  
House of Representatives  
2434 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Wise:

This in reply to your letter of September 16, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses, businesses owned by minorities and women, and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for radio services subject to competitive bidding, *i.e.*, installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS, rather than against larger entities with easier access to capital.

In a separate proceeding on PCS, GEN Docket 90-314, the Commission addressed market size by adopting a licensing coverage scheme based on Rand McNally's Basic Trading Areas (BTAs) for local markets and Major Trading Areas (MTAs) for regional markets. There are 51 MTA and 492 BTA-based service areas under the plan adopted by the Commission.

The channelization plan adopted by the Commission in that proceeding includes four 10 MHz blocks, one 20 MHz block, and two 30 MHz blocks. The rules allow licensees to aggregate not more than 40 MHz of spectrum in any geographic area. This will insure between three and seven PCS licenses in each area.

As we consider the comments filed in the competitive bidding proceeding, I can assure you that we will keep in mind our mandate to ensure economic opportunity for the designated entities, including rural telcos, as required by the Budget Act.

Sincerely,

James H. Quello  
Chairman

No. of Copies rec'd  
List ABCDE

021

SENT BY:

9-16-93 : 4:28PM :

CONG BOB WISE-

202 632 7092: # 2/ 3

BOB WISE  
2D DISTRICT, WEST VIRGINIA

COMMITTEES:  
COMMITTEE ON THE BUDGET  
SELECT COMMITTEE ON AGING  
COMMITTEE ON  
PUBLIC WORKS AND  
TRANSPORTATION  
CHAIRMAN, SUBCOMMITTEE  
ON ECONOMIC DEVELOPMENT

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4802**

WASHINGTON OFFICE:  
2434 HAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4802  
(202) 225-2711  
DISTRICT OFFICES:  
107 PENNSYLVANIA AVENUE  
CHARLESTON, WV 25302  
(304) 342-7170  
102 F. MARTIN STREET  
MARTINSBURG, WV 25401  
(304) 264-8810

September 16, 1993

The Honorable James Quello  
Federal Communications Commission  
1919 M Street NW  
Washington, D.C. 20554

Dear Chairman Quello:

As a Member of Congress who represents a rural area, I urge you to consider the ability of independent, small and minority-owned business to participate in personal communications services in the upcoming PCS Rulemaking.

Not only do small businesses deliver jobs, they also deliver innovation, specialized service and economic participation for women and minorities. The ability of small business to deliver these assets to our national and local economies will depend on whether it is given the opportunity to fully participate in the new telecommunications market created by the Commission's September 23rd rulemaking.

Congress clearly endorsed the participation of small and minority-owned enterprises in the provision of PCS in its legislation authorizing the FCC to conduct auctions. This endorsement should be carefully considered by the Commission when it weighs the arguments made by interests calling for only a few PCS licenses covering large regions.

A few regional licenses will place PCS beyond the financial and operational reach of small business and into the hands of a few large corporation. A nationwide licensee will be more interested in building the larger more profitable areas and the small rural areas will surely be neglected.

I urge you to adopt a licensing structure ensuring small and minority-owned businesses' participation in the upcoming PCS auction process. Open entry for all parties interested in offering personal communications services, multiple licenses and small market areas will create competition and innovation in the marketplace and will ensure small business involvement in our nation's wireless future.

The Honorable James Quello -- Page 2

The licensing process must not be skewed in favor of the large companies. The small businesses can only compete in the marketplace if they are given a chance in the licensing process. This will ultimately benefit the consumer.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bob Wise", written over the typed name.

Bob Wise  
U.S. Representative

BW:jem

SENT BY:

9-16-93 : 4:27PM :

CONG BOB WISE-

202 632 7092:# 1/ 3

BOB WISE  
2D DISTRICT, WEST VIRGINIA

COMMITTEES  
COMMITTEE ON THE BUDGET  
SELECT COMMITTEE ON AGING  
COMMITTEE ON  
PUBLIC WORKS AND  
TRANSPORTATION  
CHAIRMAN, SUBCOMMITTEE  
ON ECONOMIC DEVELOPMENT

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4802**

WASHINGTON OFFICE  
2424 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4802  
(202) 225-2711

DISTRICT OFFICES  
107 PENNSYLVANIA AVENUE  
CHARLESTON, WV 26302  
(304) 342-7110  
102 E MARTIN STREET  
MARTINSBURG, WV 25401  
(204) 364-8810

Facsimile Transmission

DATE: \_\_\_\_\_

TO: FCC FAX # 632-7092

PHONE: \_\_\_\_\_

FROM: Office of Congressman Bob Wise

FAX # 202-225-7856

Jane Mellow

PHONE: 202-225-2711

SUBJECT: \_\_\_\_\_

# of pages including cover page: 3